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11 **UNITED STATES DISTRICT COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

17 NEWPOINT FINANCIAL SERVICES,
INC.; JOHN FARAHI; GISSOU
18 RASTEGAR FARAHI; and ELAHEH
AMOUEI,

19 Defendants,

20 and

21 TRIPLE "J" PLUS, LLC,

22 Relief Defendant.

Case No. CV 10-00124 DDP (JEMx)

**JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF
AGAINST DEFENDANT JOHN
FARAHI**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant John Farahi having entered a general appearance; consented to the
3 Court's jurisdiction over him and the subject matter of this action; consented to
4 entry of this Judgment without admitting or denying the allegations of the
5 Complaint (except as to jurisdiction); waived findings of fact and conclusions of
6 law; and waived any right to appeal from this Judgment:

7 **I.**

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
9 and Defendant's agents, servants, employees, attorneys, and all persons in active
10 concert or participation with them who receive actual notice of this Judgment by
11 personal service or otherwise are permanently restrained and enjoined from
12 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of
13 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
14 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
15 interstate commerce, or of the mails, or of any facility of any national securities
16 exchange, in connection with the purchase or sale of any security:

- 17 (a) to employ any device, scheme, or artifice to defraud;
18 (b) to make any untrue statement of a material fact or to omit to
19 state a material fact necessary in order to make the statements
20 made, in light of the circumstances under which they were
21 made, not misleading; or
22 (c) to engage in any act, practice, or course of business which
23 operates or would operate as a fraud or deceit upon any person.

24 **II.**

25 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
26 that Defendant and Defendant's agents, servants, employees, attorneys, and all
27 persons in active concert or participation with them who receive actual notice of
28 this Judgment by personal service or otherwise are permanently restrained and

1 enjoined from violating Section 17(a) of the Securities Act of 1933 (“Securities
2 Act”), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any
3 means or instruments of transportation or communication in interstate commerce
4 or by the use of the mails, directly or indirectly:

- 5 (a) to employ any device, scheme, or artifice to defraud;
- 6 (b) to obtain money or property by means of any untrue statement
7 of a material fact or any omission of a material fact necessary in
8 order to make the statements made, in light of the circumstances
9 under which they were made, not misleading; or
- 10 (c) to engage in any transaction, practice, or course of business
11 which operates or would operate as a fraud or deceit upon a
12 purchaser.

13 **III.**

14 **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED**
15 **that Defendant and Defendant’s agents, servants, employees, attorneys, and all**
16 **persons in active concert or participation with them who receive actual notice of**
17 **this Judgment by personal service or otherwise are permanently restrained and**
18 **enjoined from violating Section 5 of the Securities Act, 15 U.S.C. § 77e, by,**
19 **directly or indirectly, in the absence of any applicable exemption:**

- 20 (a) Unless a registration statement is in effect as to a security,
21 making use of any means or instruments of transportation or
22 communication in interstate commerce or of the mails to sell
23 such security through the use or medium of any prospectus or
24 otherwise;
- 25 (b) Unless a registration statement is in effect as to a security,
26 carrying or causing to be carried through the mails or in
27 interstate commerce, by any means or instruments of
28 transportation, any such security for the purpose of sale or for

1 delivery after sale; or

2 (c) Making use of any means or instruments of transportation or
3 communication in interstate commerce or of the mails to offer to
4 sell or offer to buy through the use or medium of any prospectus
5 or otherwise any security, unless a registration statement has
6 been filed with the Commission as to such security, or while the
7 registration statement is the subject of a refusal order or stop
8 order or (prior to the effective date of the registration statement)
9 any public proceeding or examination under Section 8 of the
10 Securities Act, 15 U.S.C. § 77h.

11 **IV.**

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
13 that Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest
14 thereon, and a civil penalty pursuant to Section 20(d) of the Securities Act, 15
15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).
16 The Court shall determine the amounts of the disgorgement and civil penalty upon
17 the motion of the Commission. Prejudgment interest shall be calculated pursuant
18 to 28 U.S.C. § 1961 based on the date of entry of the order fixing the amount of
19 disgorgement. In connection with the Commission's motion for disgorgement
20 and/or civil penalties, and at any hearing held on such a motion: (a) Defendant will
21 be precluded from arguing that he did not violate the federal securities laws as
22 alleged in the Complaint; (b) Defendant may not challenge the validity of the
23 Consent or this Judgment; (c) solely for purposes of such motion, the allegations of
24 the Complaint shall be accepted as and deemed true by the Court; (d) Defendant
25 may, to the extent relevant and subject to the limitations in subparagraphs (a) and
26 (b) of this section, present evidence probative of the appropriate amount of
27 disgorgement and civil penalties; and (e) the Court may determine the issues raised
28 in the motion on the basis of affidavits, declarations, excerpts of sworn deposition

1 or investigative testimony, and documentary evidence, without regard to the
2 standards for summary judgment contained in Rule 56(c) of the Federal Rules of
3 Civil Procedure. In connection with the Commission's motion for disgorgement
4 and/or civil penalties, the parties may take discovery, including discovery from
5 appropriate non-parties.

6 **V.**

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
8 Consent is incorporated herein with the same force and effect as if fully set forth
9 herein, and that Defendant shall comply with all of the undertakings and
10 agreements set forth herein.

11 **VI.**

12 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this
13 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms
14 of this Judgment.

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18 Dated: March 09, 2010

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21 HONORABLE DEAN D. PREGERSON
22 UNITED STATES DISTRICT JUDGE
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